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JEANNE GONG **
CONGRESSIONAL INFO SRV **
4520 EAST WEST HWY #800
BETHESDA MD 20814

RV BUSINESS

MARCH 6, 1989

Plastics Play Growing Role In RV Industry

Rising material costs, along with an ever-present need to cut weights, improve styling and consolidate parts, will dictate a growing role for plastics in the RV arena, industry executives reported.

Because of limited production numbers and high tooling costs, however, RV makers will continue trailing Detroit in spearheading the use of the newer, more exotic, high-tech plastics, including durable, lightweight, advanced polymer composites. The Big Three automakers, having agreed in September to jointly research polymer-based composites for structural applications, have amplified their plastics use by 50% in the past decade, according to a recent study by Market Search Inc., Toledo, Ohio.

Each, in turn, has its own plastic projects in the works, using materials obtained from any of several global-scale suppliers:

- Ford Motor Co., Detroit, Mich., is developing a "half-plastics" Taurus, an all-plastic 1993 pickup truck and a two-seat "Low-Investment Vehicle," in which the number of body parts was reduced by 80%.
- General Motors (GM) Corp., Pontiac, Mich., is using plastic in the body panels of its planned 1990 Chevy/Pontiac GM-200 minivan and in the body and cargo box of its radically futuristic Sedona compact pickup.
- Chrysler Corp., Detroit, is reportedly working on a plastic Dakota pickup bed.

While a majority of Detroit's automotive engineers believe

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MAXIMIZING SERVICE PROFITS: Maximizing profits, minimizing losses and satisfying customers are just some of the benefits of a well-run service department. See page 24.

Early-Season National Show Reports Indicate Good Year for RV Sales

Despite mixed forecasts from economists for 1989, attendance and sales at the early-season shows appear to point to a very positive year for RV manufacturers and dealers.

One of the most upbeat reports came from the organizers and participants in the RV Supershow, held Jan. 11-15 in Tampa, Fla. According to Terry Varvil, executive director of the Florida RV Trade Association, which sponsored the show, attendance at the expanded show was up dramatically, with more than 34,000 people passing through the gates during public days and some 1,300 in attendance during the single trade-only day.

"We were extremely gratified by the outcome of the show this year," Varvil said, "and the reports from the dealers and manufacturers were very positive. Fleetwood posted some phe-

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12 GM Introduces 1990 Minivans

12 Newcomer Ships Fivers to European Market

RV BUSINESS

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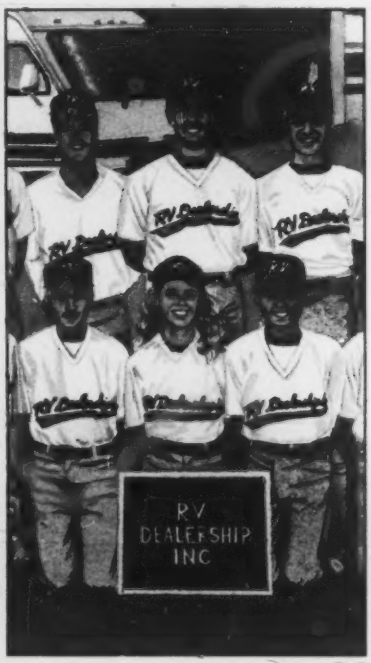

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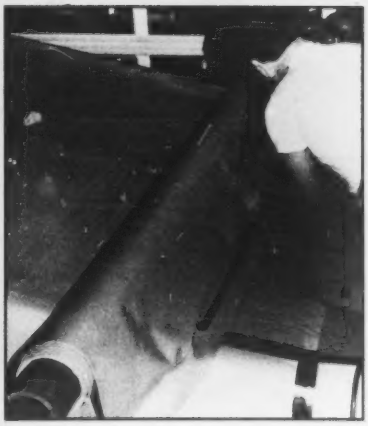

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DECEMBER HOLDS TRUE TO BEING 'BAD'

GAYLORD MAXWELL

December is always a bad month for RV dealers, and December 1988 was no exception – except that it was worse than the previous one, reported RVB's Dealer Advisory Board (DAB).

Unit sales, both new and used, and dollar volume were down from December of 1987. Although a few dealers reported good grosses, they tended generally to be on the low side. Bottom lines were rated about equally fair and poor.

However, December was far from being a disastrous month. In fact, three categories of new units were up. Even though grosses were on the low side, there were some good or fair marks for new-unit sales. Used units fared better, with nearly two-thirds of the DAB members rating grosses good or excellent. About half rated the service-and-accessory business good.

New-unit inventories were high, according to the DAB, while used stock seemed to be average or even low. Both lot traffic and the percentage of new buyers received low ratings.

Since this month's report marked the end of the calendar year, some year-to-date observations and conclusions were in order. Chief among those observations was that, generally, 1988 was a bit down from the previous year. In total units, it was off 1%; new units were down 3%, and used were up 1%. Both motorhomes and fifth-wheels chalked up increases, while truck campers, travel trailers and camping trailers were a bit off the mark. Seven percent more dollars were taken in by the DAB as a group. Eight of our dealers were down in dollar volume, and 14 were up. Although large dealerships on the DAB were up by a margin of 3-to-1, medium-size dealers didn't fare much worse; they were up 2-to-1.

Bearing in mind that 1987 was a very good year for the industry and that our DAB did almost as well in 1988, the conclusion must be drawn that, generally, dealers had a good year. There's no reason to expect less in 1989.

Motorhomes

DAB sales of new motorhomes dropped sharply for the month of December. Only four of the 18 members who stocked them were up from the previous December. Even some of the big fellows who did very well in 1988 failed to match the numbers of the previous year. Used sales were almost identical with new. Profits, however, weren't bad; they were generally rated good.

Year-to-date, the overall picture was a little better. New-unit sales were up slightly (1% or 15 units) over 1987. Although used sales were slightly off, the difference was inconsequential; however, on an individual basis, many motorhome dealers were off the pace. Only six beat 1987's figures; 12 were down. Most of the big fellows managed to end up ahead of the previous year, or about the same. Medium or small-size dealerships fared less well. It appeared that large inventories and good service facilities made an increasing difference in sales.

The slight downturn for many motorhome dealers on the DAB suggested that 1989 will be a bit tougher than 1988, but still good overall.

Travel Trailers

It has been a close race all year for trailers, and December was no exception. Year-to-date, the battle was almost even: down 3% in new units and up 1% in used. Thirteen DAB members were down in new units, and seven were up. As with motorhomes, used-unit figures nearly equaled those of new. The point: The used aspect of the RV business has become almost as important as the new.

Profit ratings for trailers weren't too bad for December, but they tended to be a little on the weak side.

The travel-trailer business has changed in the past few years. No one gets big unit numbers the way they used to. Now, it is more a matter of trying to make good grosses on fewer deals.

There's not much reason to believe that 1989 will see any kind of dramatic change in sales for the average dealer.

Truck Campers

There was very little camper activity for our DAB in December, so the monthly percentage figures do not mean much. For the year-to-date, there was a new-unit drop, but used sales remained the same. Although eight of our DAB members stocked campers, only three sold at least two-digit numbers for the year. One of those dealers increased sales in 1988, and the other two dropped.

In spite of the negative figures for the DAB, the overall camper picture didn't look too bad. Even though the unit numbers were not impressive, profits were good.

Folding Camping Trailers

Sales of fold-downs were so poor in December that the figures were meaningless.

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	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	DEC. 1988	DEC. 1987	% CHANGE	1988	1987	% CHANGE	DEC. 1988	DEC. 1987	% CHANGE	1988	1987	% CHANGE
MOTORHOMES	70	82	– 15	1,686	1,671	+ 1	69	80	– 14	1,564	1,594	– 2
TRAVEL TRAILERS	51	50	+ 2	1,209	1,245	– 3	47	54	– 13	1,204	1,196	+ 1
TRUCK CAMPERS	16	24	– 33	224	254	– 12	7	11	– 36	119	119	0
CAMPING TRAILERS	9	4	+ 125	893	1,045	– 15	8	7	+ 14	335	289	+ 16
FIFTH-WHEELS	21	17	+ 24	377	312	+ 21	10	9	+ 11	217	199	+ 9

	FOR MONTH			YEAR-TO-DATE		
	DEC. 1988	DEC. 1987	% CHANGE	1988	1987	% CHANGE
SALES VOLUME	$6,082,500	$7,648,842	– 9	$150,531,551	$140,689,946	+ 7
TOTAL UNIT SALES	308	338	– 9	7,828	7,924	– 1
NEW-UNIT SALES	167	177	– 6	4,389	4,527	– 3
USED-UNIT SALES	141	161	– 12	3,439	3,397	+ 1

DAB PERSPECTIVE *from page 19*

For the year-to-date, however, it was apparent that sales were not up to par. Eight of the DAB members who seriously stocked this type (those who got at least double-digit unit sales for the year) were down from the previous year, and only two were up. All three of the three-digit dealers of this category were down.

To a certain extent, fold-down sales have been inhibited by the popularity of small cars. No doubt, they have also been somewhat curtailed by price. Many weigh a ton after loading, and some cost more than $10,000. Still, there are plenty of smaller and less costly ones. They really should be doing better.

The slight downturn for many motorhome dealers suggested that 1989 will be a bit tougher than 1988, but still good overall.

Fifth-wheels

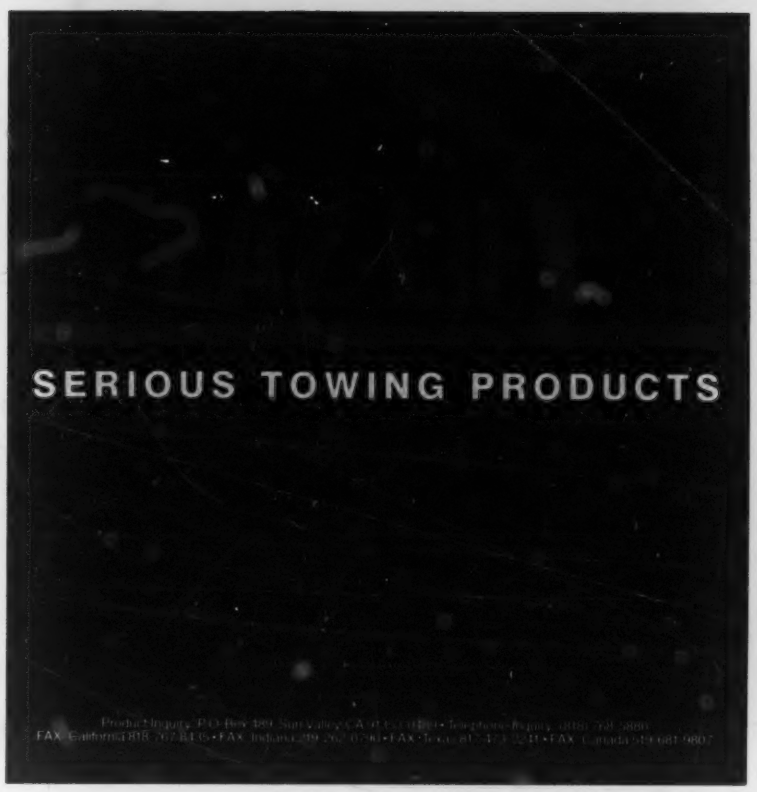
Fivers were the shining light in 1988. The 21% increase in new-unit sales by the 16 DAB dealers who stocked them was, by far, the best for any type. Twelve of those dealers were up in sales. Unit sales numbers were not large (the best was 84 for the year), but profits were great. Fivers were the only type to get profit ratings of good to excellent for the month – as they regularly did during the year.

Fifth-wheel sales should continue to soar in 1989. Δ

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board, a group comprised of 24 dealers representing a cross section of the U.S. dealer body.

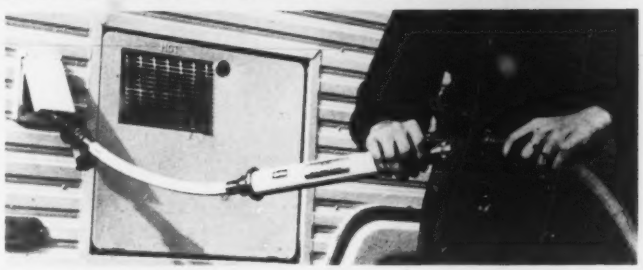
Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Robert Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **Dick Dasson,** Victor, N.Y.; **Bill De Groot,** Junction City, Ore.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Dottie Helgeson,** Seattle, Wash.; **Newton Kindlund,** Orlando, Fla.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Autry-Miller,** Fayetteville, N.C.; **Jack Moran,** Warwick, R.I.; **Mike Posy,** Albuquerque, N.M.; **Edward Peterson,** Lafayette, Ind.; **William Pifer,** Warren, Mich.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.; **Larry Washburn,** Lakewood, Colo.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.



Eaz-Lift, Circle 10 on Reader Service Card

Your customers shouldn't be afraid to drink the water!



But they often are. Because campground water frequently tastes swampy or smells awful.

What they need is the portable RV-300™ water prefilter.

It attaches to a garden hose to tap the local water supply. Filters out foul tastes and odors *before* they get to the RV reservoir.

The complete RV-300 assembly consists of three easily dismantled compact pieces: a disposable filter, a flexible 1" hose coupling, and a pressure reducer. The filter and the filter/hose are also available in separate packaging.

In today's health-conscious market, it'll be a best seller.

Contact AMETEK, Plymouth Products Division, 502 Indiana Avenue, Sheboygan, WI 53081. (414) 457-9435.

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